

Message Text

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TO AMEMBASSY TEHRAN

C O N F I D E N T I A L STATE 027949

FOLLOWING IS REPEAT ISLAMABAD 1191, SENT SECSTATE, INFO ANKARA,
DEA 03 FEB:

QUOTE C O N F I D E N T I A L ISLAMABAD 1191

E.O. 11652:GDS

TAGS: SNAR, PK,

SUBJECT: PAKISTAN'S LICIT OPIUM VEND SYSTEM

1. DEA/PAKISTAN HAS COMPILED A COMPLETE REPORT COVERING ALL
THE LICENSED VENDS IN PAKISTAN INCLUDING COSTS OF LICENSES,
COSTS OF LICIT OPIUM AND RETURNS TO LICENSED VENDORS FROM LICIT
SALES. DEA/PAKISTAN HAS INCLUDED AN ECONOMIC ANALYSIS OF THE
VEND SYSTEM. WE RECOMMEND THIS REPORT TO ANYONE WHO NEEDS TO
UNDERSTAND THE COMPLEX SYSTEM OF CORRUPTION AND OFFICIALLY
ENCOURAGED VIOLATION OF LAW WHICH IS A PART OF THE NARCOTICS
VEND SYSTEM IN PAKISTAN. COPIES OF THE REPORT HAVE BEEN POUCHED
TO DEA HEADQUARTERS AND TO STATE-S/NM.

2. ON PAPER, THE PUNJAB BOARD OF REVENUE AUTHORIZES THE LAHORE
OPIUM ALKALOID FACTORY TO DISTRIBUTE SPECIFIED QUANTITIES OF
OPIUM TO VENDORS THROUGH THE EXCISE AND TAX (E&T) DEPARTMENTS OF
THE FOUR PROVINCES. THESE PROVINCIAL E&T AUTHORITIES SOLICIT BIDS
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FOR LICENSES FOR SPECIFIC AMOUNTS OF OPIUM AND SPECIFIC LOCATIONS.
THE VENDS BUY OPIUM FORM THE FACTORY AT THE FACTORY'S COST AND
MUST SELL IT AT POSTED PRICES. THUS THE PROVINCIAL GOVERNMENT'S
SOLE NKCOME IF FROM SALE OF THE LICENSES. PROVINCIAL E&T AUTH-
ORITIES ARE DIRECTED BY LAW TO POLICE THE VENDORS FOR ADULTER-
ATION,
SHORT WEIGHT, SALE AT CORRECT PRICE, AND SALE OF

ILLICIT OPIUM AND OTHER NARCOTICS SUCH AS HASHISH.

3. SIMPLE ARITHMETIC PROVES THE TREMENDOUS FINANCIAL "SACRIFICES" WHICH THE SAME VENDORS UNDERTAKE IN ORDER TO PERFORM THIS "PUBLIC SERVICE" YEAR AFTER YEAR. FOR EXAMPLE, ON VENDOR PAID \$35,354 FOR HIS LICENSE AND \$681.75 FOR HIS QUOTA OF OPIUM. AT THE POSTED PRICE, HE GROSSED ABOUT \$2,400 FOR THIS OPIUM -- SUFFERING A LOSS OF \$33,635.75 WITHOUT FIGURING HIS ORDINARY OVERHEAD AND OPERATING COSTS. DEA/PAKISTAN HAS COMPUTED THESE FIGURES FOR ALL OF THE 340 LICENSED VENDS IN PAKISTAN. THIS SHOWS A TOTAL PAPER LOSS TO THE VENDORS OF ABOUT \$2.25 MILLION ANNUALLY. ON PAPER, THE PROVINCIAL GOVERNMENTS APPEAR TO BE EARNING APPROXIMATELY \$3 MILLION PER YEAR FROM THE SALE OF LICENSES. IN FACT, WE CAN BE ASSURED THAT THESE VENDORS FAITHFULLY REGISTER ALL PAPER LOSSES FOR INCOME TAX PURPOSES AND THEREFORE DEPRIVE PAKISTAN OF MILLIONS OF DOLLARS IN INCOME TAXES AND ANY OPIUM SLAE FEES WHICH WOULD BE COLLECTED UNDER A REASONABLE SYSTEM OF ADDICT MAINTENANCE AND SUPPLY TO TRADITIONAL MEDICINE.

4. THE ABUSES OF THE PRESENT VEND SYSTEM ARE WELL KNOW THROUGH-OUT PROVINCIAL AND CENTRAL GOVERNMENTS. IN 1976 THE PNCB INVEST-IGATED AND RAIDED A NUMBER OF VENDS IN LAHORE. THIS LED TO A STRIKE AND DEMONSTRATIONS BY ALL THE VENDORS IN THAT CITY AND A PROTEST FROM THE PROVINCIAL E&T DEPARTMENT THAT PNCB WAS EXCEEDING ITS AUTHORITY. THE CASE WAS QUIETLY DROPPED. PNCB IS FULLY AWARE OF ILLEGAL PRACTICES BY VENDORS, BUT CONTINUE TO INVESTIGATE VIOLATIONS IN A SPORADIC MANNER. THE CHAIRMAN OF THE PNCB BELIEVES A CONCENTRATED ENFORCEMENT EFFORT AGAINST THE VENDS WILL ONLY DRIVE THE TRADE UNDERGROUND AND SEVERELY DISRUPT THE CONFIDENTIAL

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TRADITIONAL MEDICINE INDUSTRY WHICH IS A VITAL PART OF LOCAL CULTURE. HE IS ENCOURAGING DEVELOPMENT OF A TRADITIONAL MEDICINE PHARMACOPOEIA IN ORDER TO DETERMINE HOW MUCH OPIUM IS REALLY REQUIRED FOR THIS PURPOSE. HE WOULD THEN HOPE TO DEVELOP A SYSTEM TO SUPPLY LEGITIMATE OPIATE REQUIREMENTS WHICH WOULD PERMIT ELIMANATION OF THE VEND SYSTEM. BYROADE UNQUOTE. VANCE

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Message Attributes

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Copy: SINGLE
Sent Date: 08-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
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